

U.S. Application Serial No. 09/988,291
Attorney Docket No. 47004.000180

REMARKS

Claims 59-61, 63-75, 77-87, 89-97, and 99-131 are pending in the application.

Reconsideration and allowance in view of the foregoing amendments and following remarks are respectfully requested.

I. The Filed Information Disclosure Statements (IDS)

An Information Disclosure Statement (IDS) with PTO-1449 was filed on November 26, 2003. However, no initialed copy appears to have been forwarded to Applicant. Applicant requests an initialed copy of such PTO-1449 showing consideration by the Examiner. Also, Information Disclosure Statements were more recently filed in this application on August 19, 2004 (an electronic filing) and August 30, 2004 (a paper filing).

II. The Double Patenting Rejection

In paragraph 4 of the Office Action, claims 59-61,63-75,77-87,89-97,99-131 are rejected under double patenting as they conflict with claims 1-58 of U.S. Patent No. 6,505,168 to Rothman dated 1/7/03. The Office Action asserts that although not identical, the claims are sufficiently similar to cause a conflict for patentability. These assertions are respectfully traversed.

Claim 59 recites the features of creating a customer preference based at least in part on the merchant level customer purchase information; and forming a merchant level offer for a customer based on at least one of the customer preference and the merchant level customer purchase information. It is respectfully submitted that these features are not taught or suggested by the claims of Rothman.

As set forth in M.P.E.P 804, in determining whether a statutory basis for a double patenting rejection exists, the question to be asked is: Is the same invention being claimed twice?

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35 U.S.C. 101 prevents two patents from issuing on the same invention. "Same invention" means identical subject matter. It is submitted that claim 59 of the present application, reciting the features noted above, cannot be fairly interpreted to recite identical subject matter as that claimed in Rothman.

The M.P.E.P further sets forth that in determining whether a nonstatutory basis exists for a double patenting rejection, the first question to be asked is - does any claim in the application define an invention that is merely an obvious variation of an invention claimed in the patent? If the answer is yes, then an "obviousness-type" nonstatutory double patenting rejection may be appropriate. Obviousness-type double patenting requires rejection of an application claim when the claimed subject matter is not patentably distinct from the subject matter claimed in a commonly owned patent when the issuance of a second patent would provide unjustified extension of the term of the right to exclude granted by a patent. A double patenting rejection of the obviousness-type is "analogous to [a failure to meet] the nonobviousness requirement of 35 U.S.C. 103" except that the patent principally underlying the double patenting rejection is not considered prior art. Therefore, any analysis employed in an obviousness-type double patenting rejection parallels the guidelines for analysis of a 35 U.S.C. 103 obviousness determination. Since the analysis employed in an obviousness-type double patenting determination parallels the guidelines for a 35 U.S.C. 103(a) rejection, the factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103 are employed when making an obvious-type double patenting analysis. These factual inquiries are summarized as (A) determine the scope and content of a patent claim and the prior art relative to a claim in the application at issue; (B) determine the differences between the scope and content of the patent claim and the prior art as

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determined in (A) and the claim in the application at issue; (C) determine the level of ordinary skill in the pertinent art; and (D) evaluate any objective indicia of nonobviousness. The conclusion of obviousness-type double patenting is made in light of these factual determinations.

The claims of Rothman fail to teach or suggest the features of claim 59 noted above including forming a merchant level offer for a customer based on at least one of the customer preference and the merchant level customer purchase information, so as to teach or suggest the presently claimed invention. Further, it is respectfully submitted that the Office Action is clearly devoid of the factual determinations as set forth in Graham v. John Deere Co., so as to support the asserted double patenting rejection. It is submitted that independent claims 73, 87, 97 and 130, as well as the various dependent claims, are allowable over the claims of Rothman for reasons similar to those set forth above with respect to claim 59.

Withdrawal of the double patenting rejection is respectfully requested.

III. The Claims Define Patentable Subject Matter

Claims 59-61, 63-75, 77-87, 89-97, and 99-131 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over U.S. Patent No. 6,424,949 to Deaton et al. ("Deaton") in view of U.S. Patent No. 6,484,146 to Day.

The Office Action asserts that as per claims 59-61,63-75,77-87,89-97,99-131 Deaton teaches a computer system for storing and manipulating merchant level customer purchase information received from a plurality of sources including a terminal (Abstract)(Fig 2A)(Fig 4A-1/4)(Fig 14A)(Fig 15B)(Fig 26)(col 4 line 62-col 5 line 27) where the computer system has a storage device for storing customer purchase information(Abstract)(Fig 2B)(Fig 3) at the merchant level (Abstract)(Fig 2A)(Fig 4A-1/4)(Fig 14A)(Fig 15B)(Fig 26)(col 4 line 62-col 5

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line 27) consisting of receiving customer purchase information(col 4 line 51-col 5 line 43) at the merchant level (Abstract)(Fig 2A)(Fig 26)(col 4 line 62-col 5 line 27).

The Office Action further asserts that in addition to that taught by Deaton, Day teaches collecting purchasing information concerning customers(Abstract) at the merchant level(Abstract)(col 5 line 44-col 6 line 56)(col 3 lines 19-40); and that Day further teaches a computer implemented apparatus consisting of a wide area network(Fig 1/18) and store processors (Fig 1/12) at retail outlets(Fig 1/14). The Office Action asserts that Day further teaches that each computer includes a database containing customer account information and information about purchases made by customers(col 3 lines 25-40); and that Day teaches the system consists of a supervisory computer networked to the store level computers by a WAN as well as TCP/IP communications(col 3 lines 40-45). Day also teaches targeting parameters used by manufacturers in making offers(col 3 line 67-col 4 line 16). The Office Action alleges that Day also teaches characterizing customers based on purchase history(col 4 lines 17-31) as well as parameters describing customers as loyal(col 4 line 24) and switchers(col 4 line 18); that Day teaches a plurality of cards having machine readable information for associating the card with particular customers and customer account(col 4 lines 32-48); that Day teaches special offers that are restricted to quantity and limits(and consequent dollar limits)(col 6 lines 57-64). The Office Action further alleges that Day teaches maintaining a running total of savings realized by a customer's purchases(col 17 lines 14-19); and that Day teaches targeted special offers ((col 7 lines 20-col 8 line 30) as well as presenting repurchasing cycles determining special offers (col 8 lines 31-36); and that Day teaches automatically increasing the value of special offers (col 8 lines 65-66) and status of promotions in time(col 9 lines 15-36) and household activity data (dollar volumes) (col 11 lines 53-58) and quantity limitations(Figs 12-14)(col 14 lines 52-64).

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The Office Action proposes to somehow combine the teachings of Deaton and Day to teach the claimed invention. Specifically, the Office Action asserts that it would have been obvious to one skilled in the art at the time of the invention to combine Deaton in view of Day to *teach the disclosure*; and alleges that the motivation to combine is to teach an e-commerce customer promotion system based on customer shopping histories for targeted marketing as enunciated by Day (col 3 lines 19-22).

A. The Rejection Under the Applied Art is Improper

As set forth in M.P.E.P 706.02(j), 35 U.S.C. 103 authorizes a rejection where, to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references. M.P.E.P 706.02(j) indicates that after indicating that the rejection is under 35 U.S.C. 103, the Examiner should set forth in the Office Action:

- (A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate,
- (B) the difference or differences in the claim over the applied reference(s),
- (C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter, and
- (D) an explanation why one of ordinary skill in the art at the time the invention was made would have been motivated to make the proposed modification.

M.P.E.P 706.02(j) references the well known requirements of *Graham v. John Deere*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966). Further, M.P.E.P 706.02(j) notes that it is important for an Examiner to properly communicate the basis for a rejection so that the issues can be identified early and the Applicant can be given fair opportunity to reply.

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Applicant notes that the Office Action does set forth an alleged motivation to combine the applied art. However, Applicant respectfully submits that the October 20, 2004 Office Action is deficient with regard to both requirements (B) and (C) above. That is, the Office Action fails to set forth the differences in the claimed invention vis-à-vis the applied art. For example, the Office Action fails to assert the differences in the claims over the teachings of the primary reference to Deaton. Applicant further respectfully notes that the Office Action does not set forth the proposed modification of the applied references necessary to arrive at the claimed subject matter, i.e., in what manner is Deaton being modified by the teachings of Day.

In particular, the Office Action does not assert the manner in which Deaton is being modified to allegedly arrive at the claimed invention. Rather, Applicant respectfully submits that the Office Action lists the alleged teaching of the art, provides a motivation to combine, and asserts that it would have been obvious to combine so as "to teach the disclosure." (See Office Action on page 4, line 1) However, the Office Action fails to discuss, in any reasonable manner, the proposed modification of the applied art necessary to arrive at the claimed subject matter, as required under M.P.E.P 706.02(j).

Further, since the Office Action fails to set forth the manner in which the art is allegedly combined, Applicant respectfully submits that it is impossible to ascertain whether the motivation for combination, as set forth in the Office Action, is proper. That is, the motivation to combine is of course linked to what features are being combined. Proper motivation may or may not exist depending on what is being modified and the manner in which it is modified.

As noted above, M.P.E.P 706.02(j) notes that it is important for an Examiner to properly communicate the basis for a rejection so that the issues can be identified early and the Applicant can be given fair opportunity to reply. Applicant submits that, based on the above, the basis of

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the asserted rejection has not been properly communicated, so as to allow Applicant to understand the basis of the rejection and to respond to the rejection.

Applicant requests that the rejection under 35 U.S.C. §103 be withdrawn. Alternatively, Applicant requests the Examiner to clarify the grounds of rejection such that Applicant and the Examiner can work together effectively and productively to further prosecution on this case.

B. The Combination Does Not Disclose Every Element of the Claims

It is respectfully submitted that the combination of Deaton and Day does not disclose every element of the claimed invention.

The claims of the present invention are directed toward gathering and manipulating merchant level customer purchase information, i.e., meaning that the claimed invention is not concerned with individual products purchased by a particular customer, but rather the claimed invention concerns the merchants at which the customer makes a purchase. The combination of Deaton with the newly cited Day, even if proper, does not disclose this feature of the claims. Specifically, claim 59, for example, recites features relating to "receiving the merchant level customer purchase information" and "organizing the merchant level customer purchase information." The present invention is not concerned with individual products purchased, but the merchants at which a customer makes a purchase. For example, as can be seen, Fig. 6 does not show the particular item purchased, e.g., a watch. That is, "merchant level customer purchase information" is directed to the merchant level. Fig. 6 of the present application, for example, pertains to information from different merchants relating to the same customer, in accordance with one embodiment of the invention.

Deaton fails to teach the features of claim 59. Further, the deficiencies of Deaton are not cured by the teachings of Day. In the Abstract, Deaton teaches a system and method are

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disclosed for customer promotion. A terminal enters a customer's identification code, along with customer transaction data, at the point-of-sale. A memory stores a database of previously entered customer identification codes and transactions data. Deaton further describes that circuitry is provided for generating a signal representative of a customer's shopping history, wherein incentive coupons may be issued to customers in dependence upon the signal.

Further, the disclosure of Dearon is, for example, directed toward a system for a merchant to identify risks with respect to accepting checks from a customer. Col. 4, lines 52-61. One feature of the system of Dearon is to target a customer at a retailer based on past purchases at that retailer. Col. 7, lines 31-50. There does not appear to be disclosure regarding use of the Deaton system by more than one retailer, such as competing retailers, at the same time or generating a customer profile based on the purchases at a number of different merchants, so as to teach the features of claim 59.

To explain further, claim 59, in summary, recites a method for making targeting offers comprising receiving the merchant level customer purchase information; organizing the merchant level customer purchase information within a predetermined organizational structure, creating a customer preference based at least in part on the merchant level customer purchase information; and forming a merchant level offer for a customer based on at least one of the customer preference and the merchant level customer purchase information.

Deaton, as well as the other applied art, fails to teach such specifics including manipulation of merchant level information, from a plurality of merchants, so as to teach claim 59. Dearon does indeed discuss multiple store configuration, such as in column 6, lines 24-35, and column 21, lines 6-50. In particular, Deaton teaches that the stores exchange information for

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purposes of check verification, for example. However, Deaton fails to disclose the specifics of claim 59.

With regard to the secondary reference to Day, Day is directed to a system for offering targeted discounts to customers and collecting purchasing behavior data. In column 3, lines 25-54, Day describes that Fig. 1 of Day shows a system 10. The system 10 includes a plurality of store level computers or in store processors 12. One store level computer 12 is included in each of various stores, shops, or retail outlets 14. Day further teaches that a supervisory computer is used to perform special offer maintenance, category management, network administration, system administration, and is optionally used for software distribution. The store level computers 12 can comprise computers for one chain or franchise or stores 14, or can comprise computers for several chains or stores.

Day provides further teachings in column 5, lines 44-56. Day teaches that the first few times the customer uses a card 22, which is provided to the customer, the computer 12 will have little information about the customer's buying habits. Therefore, special offers available to that customer may not contain many targeted special offers. To keep the customer interested in using the card, while purchasing behavior information is being obtained, the customer will be given broadcast special offers, which are special offers available to everyone (as opposed to targeted special offers). Day describes that in addition, the customer may be entitled to a frequent shopper plan (similar to frequent flyer plans) or to a lottery if he or she uses the card 22. The frequent shopper plan awards points based on amount of use of the card 22 or based on amounts spent in the store.

In column 6, lines 19-56, Day teaches further aspects relating to data obtained by the customer shopping. Day teaches that after the customer finishes shopping, the customer presents

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his or her card 22 to the check-out 34, where the card 22 is scanned before or while purchases are rung up. The system 10 includes means for associating a purchased product with a customer account if one of the cards 22 is scanned by the bar code reader 36 in sequence with scanning of products. More particularly, a list of all products for which special offers exist for at least one customer is downloaded from the store level computer to the check-out 34 at appropriate times, after special offer programs are initiated. The check-out 34 then has a list of all products for which discounts may be available to certain customers. If a customer purchases a product which is included in this list, the check-out 34 communicates with the store level computer 12 to determine if a special offer is available to the particular customer whose card 22 was scanned by the check-out 34 in sequence with the products, and to determine the value of the special offer for this customer. The check-out 34 applies any special offers available to that customer to the customer's total if the customer purchased products for which special offers were available to the customer.

Applicant respectfully submits that the teachings of Day, in combination with Deaton, fail to teach or suggest the particulars of the claimed invention. Claim 59 in particular recites organizing the merchant level customer purchase information within a predetermined organizational structure, wherein the predetermined organizational structure comprises a plurality of categories, each category comprising a plurality of sub-categories arranged in a hierarchy having a top-down taxonomy; and creating a customer preference based at least in part on the merchant level customer purchase information. Deaton and Day, either alone or in combination, fail to teach such features relating to the claimed organizational structure vis-à-vis the merchant level customer purchase information and the "creating a customer preference".

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Day does teach in column 16, lines 1-50, aspects of updating the database statistics. That is, Day teaches that Figs. 15-17 are flow charts illustrating updating of database statistics for a single POS transaction received from either a check-out 34 at the noted store or from another store. More specifically, in column 16, lines 31-50, Day teaches that (in the disclosed process) at step 304, store-level period-based category-related statistics are updated. After performing step 304, the system proceeds to step 306. At step 306, period-based household-level category-related statistics are updated. Day further describes that in a later step 314, store-level period-based department-related statistics are updated.

Accordingly, Applicant acknowledges that Day teaches the manipulation of what Day characterizes as "store level data." However, Applicant submits that Day fails to teach the specifics of claim 59 noted above.

In summary, Applicant submits that even if the applied art were somehow combined, the art would not teach or suggest Applicant's claimed invention. Further, the Office Action is fully unclear as to how the applied art even allegedly teaches or suggests the claimed invention.

Applicant respectfully submits that claim 59 defines patentable subject matter for the reasons as set forth above. Further, independent claims 73, 87 and 97, as well as added claim 130, define patentable subject matter for reasons similar to those set forth above with respect to claim 59.

C. The Dependent Claims

Applicant submits that the dependent claims define patentable subject matter for the reasons set forth above with regard to the independent claims, from which they variously depend, as well as the additional features set forth in each of the dependent claims.

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For example, dependent claim 107 recites wherein the step of generating a customer score, includes generating multiple customer scores for a single customer, the multiple customer scores for the single customer each being respectively associated with a different merchant. Accordingly, such claim recites specifics of using data from a number of merchants, in contrast to the teachings of the applied art as discussed above. Claims 108 and 109 similarly relate to purchases from different merchants.

Also, claims 110 and 111 specify that the plurality of sources are different merchants. As discussed above, the applied art fails to teach such feature in the context of claim 59, for example.

Further, claim 112 recites wherein at least a plurality of the categories or sub-categories are associated with a respective count value, each count value indicating the number of customers that have had activity within the particular category or sub-category. Further, claim 113 (and claim 116) recites wherein at least a plurality of the categories or sub-categories are associated with a respective percentage value, each percentage value indicating the percentage of customers that have had activity within the particular category or sub-category. Accordingly, claims 112 and 113 reflect the features of Fig. 2 of the present invention and reflect the "merchant level" nature of the invention. It is respectfully submitted that neither Deaton nor Day, either alone or in combination, teach or suggest such claimed features.

Also, variously dependent claims 114, 115, and 117 further recite the interrelationship of the claimed invention with a plurality of different merchants. As discussed above, the applied art does not teach such features relating to different merchants, so as to teach the claimed invention.

Further, claim 118 recites wherein the categories and sub-categories relate to the volume of purchases made at a particular merchant and not to any particular item purchased at a

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particular merchant. These features of the invention may be seen, for example, in Fig. 2. Fig. 2 does not reflect that a watch has been purchased, for example. Rather, Fig. 2 reflects counts and percentage values at different merchants.

Also, Applicant notes in particular claim 68. Claim 68 recites the feature of *updating* the organizational structure when customer purchase information reaches a threshold level. Deaton does not appear to disclose any such feature. Further, the Office Action does not appear to acknowledge this claimed feature that is also reflective of acquiring data at merchant level.

With regard to claim 68, Deaton does disclose in column 6, lines 3-11, that in addition to, or in place of, check verification status data, the local customer database may include credit or debit card data and transactional data such as transaction frequency and dollar volume over specified intervals; and that this transactional data can be used to place conditions risk management on transaction verification over and above verification status. Deaton teaches that for example, in the case of a customer with either CAUTION or POSITIVE status, if a transaction exceeds certain specified transaction limits frequency and/or dollar amount over a specified interval (such as day, week or total), a CALL MANAGER response is returned in response to a verification request, regardless of customer status. However, this teaching of Deaton is different than the particular use of a threshold as recited in claim 68. That is, claim 68 does not of course just generally recite use of a threshold. Rather, claim 68 recites use of a threshold as a trigger of sorts to update the organizational structure.

Further, claims 119-131 have been previously added to capture further novel aspects of the invention. The added claims reflect the discussion with Examiner Akers in the Interview of June 30. In particular, the added claims reflect novel aspects of manipulation of scores, count values, percentage values, categories, and subcategories, for example.

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IV. CONCLUSION

Applicant respectfully submits that this application is in condition for allowance, and reconsideration and allowance of the application is respectfully requested. If the Examiner believes that prosecution might be advanced by discussing the application with Applicant's counsel, in person or over the telephone, we would welcome the opportunity to do so.

It is believed that no fees are due with this response in excess of those otherwise provided for. However, in the event any other fees are due, the Commissioner is hereby authorized to charge the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,
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